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SUBJECT: NIGERIA: A SLIDE IN THE BILATERAL
RELATIONSHIP

CLASSIFIED BY AMBASSADOR HOWARD F. JETER. REASON 1.5
(B) AND (D).

1. (C) Summary: The return of democratic government in Nigeria brought relief and great expectations in both Abuja and Washington. Visions of a strategic partnership between the world's preeminent republic and Africa's largest democracy tantalized policymakers in both capitals. Committing to significant diplomatic support, two successive Administrations in Washington labeled Nigeria one of the continent's two most important countries. In addition to rebuffing military rule, Abuja pledged allegiance to economic reform, promised to create conditions to attract American investment and committed itself to vigorous cooperation on transnational issues such as drug-trafficking and financial crime. Both nations agreed to collaborate in promoting regional stability and helping to resolve Africa's conflicts. However, after three years, the euphoria of 1999 has worn off, with an unvarnished realism taking its place. While the overall relationship is still very good, differences in perception, substance and developments extraneous to the bilateral relationship have created frictions not there before.

2. (C) Summary Continued: Dissatisfied with the pace and scope of reform here, Washington seems to see Nigeria as a strong regional actor but a weak domestic player with a government reticent or unable to face responsibility for problems such as communal violence that are not easily resolved yet cannot be ignored. Nigeria believes the USG expects too much, too fast and does not provide the types of assistance that would accelerate reform and help rescue Nigeria from its current morass. As Nigeria moves into electoral gear, bilateral strains will increase. To quiet criticism that he has reaped little from courting the US, Obasanjo pines for high visibility USG assistance, e.g. debt relief. Conversely, Washington has little, if any, appetite for special debt treatment for Nigeria. Yet, Nigeria is too important to let the relationship slide. We need to engage the Nigerians even more actively on key bilateral issues to develop more realistic expectations on both sides and improve mutual understanding by broadening the channels of communication. While the relationship probably could not and should not return to what it was in 1999, active policy dialogue can place the relationship on a sustainable, pragmatic keel that recognizes common interests as well as manages the differences that may divide us. We should engage the British in this effort. End summary.

THE DIFFERENCES BETWEEN US

3. (C) Well-wishers on both sides of the Atlantic hoped the inauguration of the Obasanjo Government also ushered in an era of good feeling in the bilateral relationship. Neither government was immune to this optimistic view. Up from the nadir of the Abacha days, Nigeria was a country of great potential, promise, resources and a highly energetic and gifted population. No longer bridled by military rule, Nigeria could now gallop toward political and, more importantly, economic reform, Washington hoped. Through the provision of technical assistance we would help them see the "way" and thus effectuate reforms we wanted them to make. The subtext of this assumption was that the advent of democracy would quickly make the Nigerians begin to think and behave like us.

4. (C) Nigerians had a different view. They saw the

return of democracy as the political equivalent of sprinkling holy water on the Government of Nigeria. Because of their size and rich and expanding resource base (oil and gas), they felt that diplomatically Nigeria should be among the upper echelon of nations, a nation that deserved a "special relationship" with the United States. Yet, because of their developmental challenges, Nigeria wanted to be the recipient of massive doses of tangible assistance. Partly due to a prickly national pride, Nigerians believed this assistance should be given with few conditions and minimal oversight. Psychologically, they were self-important to the extent of believing that we needed to give them assistance more than they needed to receive it.

15. (C) We believed the relationship might become special if Nigeria achieved significant reforms. Nigeria, on the other hand, believed the relationship should be inherently special because of its own of Nigeria's place in the world and the region, reform or lack thereof notwithstanding. These different outlooks and mutual misperceptions initially were concealed by the celebration that accompanied the return of democracy. Over time, however, these differences have become more visible as celebration yielded to the limitations, constraints and frictions of the daily workings of the bilateral relationship.

16. (C) We discovered that reform would be slow everywhere, and glacial in some areas. This languor confirmed that many high-level GON officials were not truly committed to reform nor were they governing according to our democratic precepts. But how could they? Many senior GON officials have spent nearly 30 years in government service but only seven of those years under civilian rule; meaning, they have spent nearly a quarter century working and, indeed, prospering under different military governments. Almost half of all Nigerians never experienced democracy before 1999. All Nigerians are more familiar with the obtuse workings of military rule than the openness of democratic governance. Some key political operatives in the Obasanjo Government were one-time apologists for military rule. A single round of elections was insufficient to change deeply ingrained behavior that had been positively reinforced by acquisition of wealth and power on the part of these officials over the years.

17. (C) Nigerians did not get the type of assistance they desired or expected. While we moved to provide technical and advisory assistance aimed at institutional and policy reform, the Nigerians wanted tangible "stuff" -- money, equipment and goods and services -- not advice and feasibility studies. Realizing they were not getting what they wanted, those Nigerians who hoped for a "special relationship" became disillusioned. This sentiment provided ammunition to those who sought a correct but not close bilateral relationship. For a variety of reasons ranging from the enmity generated during the years of military rule to different cultural and global perspectives, a vocal, at times, very influential minority sought to keep us at arm's length. This group internalized our disputes with the former military regimes, misconstruing them as signs of inherent USG antipathy toward their country. These hard-liners wrongly sense ulterior motives in whatever we do. They were reactionary and distrustful -- some just did not like us. With the visible exception of General Victor Malu's public opposition to Operation Focus Relief, these die-hards basically receded into the background after Obasanjo's inauguration. However, the more other Nigerians voiced frustration at the perceived lack of tangible aid from the USG, the more the USG-bashers gloated -- "We told you so."

TIME TO TAKE STOCK

18. (C) This has fed into a stream of thought that the USG is not forthcoming with aid because it sees Nigeria as marginal to its interests and therefore is indifferent to Nigeria's plight. In public and private statements about NEPAD, Zimbabwe and debt relief, Obasanjo discharged several anti-Western shots that he would not have sounded before. During a May 18 meeting with Ambassador Jeter, a plaintive Obasanjo remarked the U.S. "would not be my friend for long" unless it

does something about debt relief. Recently, the British Deputy High Commission recounted a protracted anti-American diatribe he had heard from a highly placed official in the Presidency. These anti-American outbursts are disconcerting; however, we also imagine this scenario has probably been mirrored in Washington with an USG official excoriating Nigeria to fellow USG officials or diplomats of a friendly country. Statements like these, even though not introduced into the public domain, foul the air in the absence of concrete measures and alternatives to tackle the issues underlying the criticisms.

19. (C) Gleaned from recent conversations with GON officials and other reliable contacts, here are some observations and thoughts about the bilateral relationship from the Nigerian perspective:

-- Overall, Nigerians believe the relationship is beginning to slide and the USG is increasingly indifferent. "The U.S. does not really care what happens here," a Presidential insider told a visiting American recently.

-- Debt Relief: This is the centerpiece of GON foreign policy toward the US and other Western donors, so much so that Obasanjo put enormous amounts of his time and prestige on the line. However, Obasanjo has not been able to deliver and is frustrated that Washington does not seem to attach political importance to the issue. Nigerians think Washington has treated debt relief bureaucratically -- a "technical issue" -- not the major issue it is for Obasanjo and his Administration. If the Paris Club declares Nigeria in default at its June meeting, the malaise felt here will only deepen.

-- Obasanjo was incensed when the debt/environment swap fell through. First, it was a policy setback. Second, he trumpeted our proposal when he returned home from Washington only to hear subsequently through public channels that the deal had fallen through. "You did not even have the courtesy to tell me," he lamented. For Obasanjo, this was a significant loss of face that mocked his reliance on and belief in the United States.

--Zimbabwe: This has been highly emotional. Most Nigerians, in and out of government, see land redistribution as the real basis of the UK's opposition to Mugabe. Believing the UK was upset because most affected farmers were white, the Nigerians viewed UK policy as racially motivated and biased. They thought the UK raised the red flag on elections not so much out of concern for democracy but to indirectly thwart GOZ land redistribution to previously dispossessed blacks. The GON also felt the USG was too closely aligned with the perceived UK attempt to scuttle land ownership by blacks in Zimbabwe.

-- Obasanjo bristled at our linkage of support for NEPAD to Zimbabwe. He felt we condescendingly tried to give him instructions about the mandate of an organization he helped to create through consensus with other African leaders.

-- The GON sees us as a tireless "demandeur"; we are constantly presenting demarches and raising issues when we want something from them. The UNHRC Cuba resolution is a recent case-in-point. After we had presented a series of demarches and requests on several different topics over the course of a few weeks, a senior Presidential Advisor half-jokingly began a meeting with the Ambassador stating, "What do you want now?"

--Military Assistance: Overall, OFR has been successful but the failure to carry out OFR-II was a disappointment. While Obasanjo still supports MPRI, even he is becoming disillusioned to a degree. Many senior military officers resent the program for attempting to reshape their military institution and its culture without providing concrete assistance in the form of equipment or weapons. Some dislike the program because contract funds were not being used to pay Nigerians but U.S. contractors. Some see the program as condescending and a spike at Nigeria's national honor. We have even heard complaints about

Avid Recovery because funding for the RONCO contract was not passed through Nigerian hands.

-- The GON believes it has made achievements on privatization and anti-corruption but feels we have underestimated the economic and political constraints it faces.

10. (C) Some things the GON sees as commendable, we see as demerits or flaws. This is particularly true on corruption and economic reform, including privatization. Despite what the GON professes, there have been no major breakthroughs and Nigeria could have and should have done more on these and other fronts. Additionally, the way business is conducted in Nigeria has not changed much with the Obasanjo Administration. It still disadvantages U.S. firms trying to enter the Nigerian market or obtain government contracts. Repeated losses to European, Japanese and Chinese concerns on commercial advocacy compound the impression that the door is not open to American business and that the distance between our two nations is growing. Now, elections are imminent and the rigors that occasion them promise to place added strain on the bilateral relationship. In his quest to show the public he can deliver, Obasanjo will more actively cadge us for debt relief. Due to his own weaknesses with the electorate, Obasanjo may face a formidable challenge. The stiffer the competition, the more he will be occupied with protecting his political flank. He will be less inclined toward reform or responding to our requests for GON alignment with us on important issues in multilateral fora. Obasanjo knows that many positions he has staked out, e.g. supporting USG action in Afghanistan, are not popular in the far North, the region where opposition to his reelection is perhaps the strongest. Consequently, electoral considerations also may compel him to distance himself from us.

CONCLUSION, COMMENT AND RECOMMENDATIONS

11. (C) Nigeria is too important to let the relationship slide. Because it involves so many important issues and due to our cultural and historic differences, the relationship will not always be easily managed. Yet, it can be an effective partnership that advances USG interests in Africa and beyond. To do this, we need to broaden and formalize bilateral dialogue on the most significant issues. This will help identify areas of commonality and minimize differences. It will foster better understanding while diminishing misperceptions. Greater senior-level engagement from Washington would help. Concrete steps that can be taken are:

-- A visit by A/S Kansteiner in September to meet President Obasanjo and other key political players.

-- After the Kansteiner visit, we should meet discreetly in London with the British and perhaps the Canadians to discuss Nigeria. We envision two meetings: the first a "political meeting" at the A/S level to discuss our collective and individual interests in Nigeria; the second, a heads of assistance agencies (USAID and its equivalents) session to discuss and coordinate assistance to Nigeria, particularly for elections and poverty alleviation. Measures that we are prepared to take in the immediate post-elections period to help consolidate democracy also should be examined. How these meetings might be shaped will be the subject of a separate message; at a minimum our participation, in addition to State and AID, should include Treasury, NSC and representatives from the Embassy. We understand the British would endorse the proposed meetings. Still to be decided is whether Canada would or should participate.

-- The "post-JEPC" mechanism needs to be initiated. This has been stalled for months; however, it represents a solid opportunity to link discussion on economic reform with cooperation on developing concrete trade and investment initiatives. Wedding our push for reform with the Nigerians' desire for concrete results, this mechanism could provide a practical demonstration of the benefits of close

cooperation and reform. The more Nigerians see a tangible outcome, the more readily they will listen to our mantra of reform.

-- High-level discussion on debt relief is needed. President Obasanjo plans to visit Washington in mid-June for the Sullivan Memorial Dinner and will participate at the G-8. We should be prepared to respond to his expected entreaties on debt relief beyond stating that this is a Paris Club issue. We need to provide a blueprint that could lead to an eventual package of debt relief. Moreover, we need to listen to him and show a willingness to be flexible and creative while also linking debt relief to genuine reform at home.

-- We need to have a formal consultation with the GON to broadly discuss foreign policy interests. What are the fundamental interests and issues for the United States and how do these compare with those of Nigeria? Most importantly, how do we reconcile differences between the two in order to prevent damage to the bilateral relationship? This should take place after the London consultations mentioned above.

112. (C) Post appreciates Washington's quick response to the proposals stated in paragraph 11.
JETER